

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

a) Part(s) (Heading and Code Citations): Income Tax, 86 Ill. Adm. Code 100

1) Rulemaking:

- A) Description: New rules will be added to Part 100 concerning the tax credit for Tech Prep Youth Vocational Programs (IITA Section 209); the reallocation of items under IITA Section 404; pass-through of investment credits from partnerships and Subchapter S corporations to their partners and shareholders; filing of refund claims and other collection matters, statutes of limitations, and interest computations.

Part 100 will be amended by adding rules and amending existing rules governing the computation of base income under Article 2 of the IITA, the allocation and apportionment of base income under Article 3 of the IITA, and the filing of returns and payment of taxes under Articles 5 and 6 of the IITA.

Part 100 will be amended to update the provisions defining unitary business groups and computing the combined tax liability of unitary business groups.

Part 100 will be amended by adding rules providing guidance on the addition and subtraction modifications allowed in IITA Section 203, on the credit for residential property taxes paid in IITA Section 208, on the acceptance of substitute W-2s, and rounding amounts on returns to the nearest dollar.

Part 100 will be amended to clarify definitions of terms in IITA Section 1501(a).

Part 100 will be amended to implement legislation enacted in 2004, 2005, 2006, 2007, 2008, 2009, 2010 and 2011, including the angel investment, historic preservation and small business jobs credits, repeal or sunset of the research and development, low-income housing and film credits, the allowance of Economic Development for a Growing Economy credits to be used against withholding obligations, credits for hiring veterans and ex-felons, bonus depreciation adjustments, withholding by employers, partnerships, Subchapter S corporations and trusts, changes to apportionment formulas and taxation of real estate investment trusts and their investors, tax-exempt bonds, and special net loss rules for cooperatives and real estate mortgage investment companies.

Part 100 will be amended to provide additional guidance on nexus and on the Illinois income tax consequences of changes in federal income tax laws.

Finally, the Department will continue the updating and correction of Part 100.

Proposed rules that have been submitted to first notice and that should be adopted in the near future include:

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

Section 100.2580 is being amended to provide guidance for tax treatment of Medical Savings Accounts after the repeal of the Medical Savings Account Act of 2000.

- B) Statutory Authority: 35 ILCS 5/101 and 35 ILCS 5/1401
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 100 over the next six months. We anticipate filing rulemakings amending Part 100 on a regular basis during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: These rulemakings will affect any business that incurs an income tax filing obligation.
- F) Agency contact person for information:  
  
Paul Caselton  
Deputy General Counsel, Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 524-3951
- G) Related rulemakings and other pertinent information: None.

b) Part(s) (Heading and Code Citations): Property Tax Code, 86 Ill. Adm. Code 110

1) Rulemaking:

- A) Description: Part 110 will be amended to implement the new Disabled Persons' Homestead Exemption under 35 ILCS 200/15-168.

Part 110 will be amended to adopt new rules to implement changes made to the Senior Citizens Assessment Freeze Homestead Exemption under 35 ILCS 200/15-172.

Part 110 will be amended with respect to 110.162 for Township and Multi-Township Assessor Qualifications. The amendment deals with the approved designation list from the Department of Revenue.

Part 110 will be amended with respect to 110.155 to update population changes in counties, which resulted in different requirements for those counties with

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

respect to course and examination requirements for board of review members. The changes in the county populations will be reflected in the attached map accompanying Part 110.155, referred to as Illustration A. Part 110.155 will also be amended to correct typographical errors in subsections b) 3); b) 5); d); and e) 3).

- B) Statutory Authority: Implementing the Property Tax Code [35 ILCS 200] and authorized by Section 2505-625 of the Civil Administrative Code of Illinois [20 ILCS 2505/2505-625]; 35 ILCS 200/15-168; 35 ILCS 200/15-65; 35 ILCS 200/15-172; 35 ILCS 200/6; 35 ILCS 200/6-10; and 35 ILCS 200/6-32.
- C) Scheduled meeting/hearing dates: No schedule has been established.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 110 during the first six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: None
- F) Agency contact person for information:  
  
Robin W. Gill  
Associate Counsel, Property Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 524-4886
- G) Related rulemakings and other pertinent information: None

c) Part(s) (Heading and Code Citations): Rental Housing Support Program, 86 Ill. Adm. Code 121

1) Rulemaking:

- A) Description: New rules will be created under Part 121 to implement the new Rental Housing Support Program.
- B) Statutory Authority: 55 ILCS 5/3-5018
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings creating Part 121 during the first six months of this year.

---

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

E) Affect on small business, small municipalities or not for profit corporations: De minimus. Small business and not for profit organizations are subject to the \$10 recording fee for real estate related documents. Units of local government are exempt under the statute.

F) Agency contact person for information:

Robin W. Gill  
Associate Counsel, Property Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 524-4886

G) Related rulemakings and other pertinent information: None.

d) Part(s) (Heading and Code Citations): Retailers' Occupation Tax, 86 Ill. Adm. Code 130

1) Rulemaking:

A) Description: Amendments will be made to update the Retailers' Occupation Tax regulations to reflect new statutory developments, decisional law and Department policies. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings. Some of the highlights of these changes include:

1. Amendment of Section 130.415 (transportation and delivery charges) to add examples and to clarify the requirement of a separate agreement between seller and purchaser, particularly in the case of Internet, mail order, telephone and television orders, and what tax rate applies to taxable handling charges for an order that contains both high tax rate and low tax rate items.
2. Amendment of Section 130.2005 regarding nonprofit service enterprises to clarify how tax-exempt organizations handle fundraising events, including occasional dinners and bake sales and similar events.
3. Amendment of Section 130.2013 regarding the lessor's credit to describe the requirements necessary for claiming the credit on sales to customers who are purchasing items that they had previously leased from those lessors.

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

4. Amendment of Section 130.455 regarding motor vehicle trade-ins to clarify issues regarding trade-ins including how advance trade-ins apply in auction situations.
5. Amendment of 130.2080 to update the regulation governing sales to governmental bodies, foreign diplomats and consular personnel.
6. Amendment of Section 130 ILLUSTRATION A – to update examples of tax exemption cards.
7. Creation of a new section regarding the exemption created by Public Act 95-0672 for tangible personal property sold to public-facilities corporations for purposes of constructing or furnishing a municipal convention hall.
8. Amendment of Section 130.2007 to explain the proper use by an exempt organization of its exemption identification number issued by the Department and consequences of an organization's failure to use ordinary care to ensure that the exemption identification number is properly utilized. Consequences include revocation of the exemption identification number.
9. Creation of a new section to provide guidance regarding the documentation requirements for sales by retailers to exempt organizations holding active exemption numbers issued by the Department.
10. Amendment of Section 130.450 regarding installation, alteration, and special service charges to provide further guidance through examples for retailers who sell items that are commonly installed into real estate, such as cabinets and counter tops.
11. Amendment of Section 130.340 regarding rolling stock to provide guidance through examples of items that qualify for the exemption but do not become a part of the vehicle and to clarify the types of registration numbers carriers need to provide to document that they are for hire carriers.
12. Amendment of Section 130.605 to add examples regarding the drive-away permit exemption described in subsection (b) of that Section.
13. Amendment of Section 130.701 regarding the obtaining of certificates of registration to incorporate the changes made by P.A. 96-1355 listing the criteria the Department is to consider when determining whether to require a bond or other security from an applicant for a certificate of registration and the amount of that bond or other security.

---

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

14. Amendment of 130.552 to eliminate the requirement for taxpayers selling liquor to telefile the ST-1 return. Such liquor retailers will, instead, be required to file their monthly ST-1 return electronically. The electronically filed return will include a statement of that retailer's liquor purchases. The change will be effective for returns due on and after February 1, 2012. The rules provide that a taxpayer may petition for a waiver of the electronic filing requirement. The Department has made this accommodation for taxpayers that demonstrate they do not have access to the Internet.

B) Statutory Authority: 35 ILCS 120/12

C) Scheduled meetings/hearing dates: No schedule has been established at this time.

D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 130 over the next six months. We anticipate filing rulemakings amending Part 130 on a regular basis during the next six months of this year.

E) Affect on small business, small municipalities or not for profit corporations: Small businesses that sell tangible personal property at retail will be affected by these regulations. Businesses that sell tangible personal property through the Internet, mail order, telephone and television orders will be impacted by the changes to 130.415 regarding delivery and handling charges. Retailers who sell counter tops and cabinets will be impacted by the changes to Section 130.450. Tax exempt organizations will be affected by the changes proposed to Section 130.2005, 130.2007, and the new section providing guidance on how to document exempt sales to those organizations.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales & Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

G) Related rulemakings and other pertinent information: None.

e) Part(s) (Heading and Code Citations): Service Occupation Tax, 86 Ill. Adm. Code 140

1) Rulemaking:

---

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- A) Description: Amendments will be made as part of a general update to clarify application of the Service Occupation Tax and to reflect recent decisional law, statutory changes and Department policy. Some of the highlights of these changes are revisions to Section 140.108 to add an example of a company that provides water service as a de minimis serviceman; and the addition of language to reinforce that de minimis servicemen cannot provide certificates of resale if those de minimis servicemen are registered with the Department only for the limited purpose of self-assessing and remitting their own use tax liability.
- B) Statutory Authority: 35 ILCS 115/12
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: As noted above, there will be a number of rulemakings proposed with respect to Part 140 over the next six months. We anticipate filing rulemakings amending Part 140 on a regular basis during the next six months of this year.
- E) Affect on small business, small municipalities or not-for-profit corporations: Servicemen transferring tangible personal property incident to service will be affected by these rules.
- F) Agency contact person for information:
- Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None.

f) Part(s) (Heading and Code Citations): Use Tax, 86 Ill. Adm. Code 150

1) Rulemaking:

- A) Description: Amendments will be made to update the Use Tax regulations to reflect new statutory developments, decisional law and Department policies. Some of the highlights of these changes include:

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

1. Amendment to Section 150.201 that reflects the changes in the definition of a “retailer maintaining a place of business in this State” added by P.A. 96-1544 to reference retailers who have certain contracts with and provide commissions to persons in this State and the retailer’s sales to customers in this State under such contracts exceed \$10,000 during the preceding 4 calendar quarters.
2. Amendment to Section 150.310 to change the period of use from “30 or more days” to “more than 30 days” that will trigger Use Tax liability for a vehicle that was purchased in this State under the drive-away permit exemption. The change to Section 150.310 is being made in order to conform to the recent change by the Secretary of State’s Office to extend the time period for a drive-away permit for a vehicle from 7 days to 30 days.

B) Statutory Authority: 35 ILCS 105/12

C) Scheduled meetings/hearing dates: No schedule has been established at this time.

D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 150 during the next six months of this year.

E) Affect on small business, small municipalities or not for profit corporations: These amendments will affect persons subject to the Use Tax.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

G) Related rulemakings and other pertinent information: None.

g) Part(s) (Heading and Code Citations): Service Use Tax, 86 Ill. Adm. Code 160

1) Rulemaking:

A) Description: Amendments will be made to update the Service Use Tax regulations to reflect new statutory developments, decisional law and Department policies.



---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- B) Statutory Authority: 35 ILCS 110/12
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings amending Part 160 during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: These amendments will affect persons subject to the Service Use Tax, including persons required to collect Service Use Tax from Illinois purchasers.
- F) Agency contact person for information:  
  
Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: None.

h) Part(s) (Heading and Code Citations): Metro East Mass Transit District Retailers' Occupation Tax, 86 Ill. Adm. Code 370

- 1) Rulemaking:
  - A) Description: Regulations will be updated to reflect past statutory changes including the provisions of Public Act 94-776 regarding the taxation of titled or registered tangible personal property.
  - B) Statutory Authority: 70 ILCS 3610/5.01
  - C) Scheduled meetings/hearing dates: No schedule has been established at this time.
  - D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
  - E) Affect on small business, small municipalities or not for profit corporations: Businesses that sell tangible personal property, especially titled or registered

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

tangible personal property, in a Metro East Mass Transit District would be minimally impacted.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

G) Related rulemakings and other pertinent information: Similar changes will be made to Parts 380 and 390 regarding the taxes imposed in Metro East Mass Transit Districts.

i) Part(s) (Heading and Code Citations): Metro East Mass Transit District Service Occupation Tax, 86 Ill. Adm. Code 380

1) Rulemaking:

A) Description: Regulations will be updated to reflect past statutory changes including the provisions of Public Act 94-776 regarding the taxation of titled or registered tangible personal property.

B) Statutory Authority: 70 ILCS 3610/5.01

C) Scheduled meetings/hearing dates: No schedule has been established at this time.

D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.

E) Affect on small business, small municipalities or not for profit corporations: Businesses that make sales of service involving the transfer of tangible personal property in a Metro East Mass Transit District would be minimally impacted.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: Similar changes will be made to Parts 370 and 390 regarding the taxes imposed in Metro East Mass Transit Districts.

- j) Part(s) (Heading and Code Citations): Metro East Mass Transit District Use Tax, 86 Ill. Adm. Code 390

1) Rulemaking:

- A) Description: Regulations will be updated to reflect past statutory changes including the provisions of Public Act 94-776 regarding the taxation of titled or registered tangible personal property.
- B) Statutory Authority: 70 ILCS 3610/5.01
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Businesses that sell tangible personal property, especially titled or registered tangible personal property, in a Metro East Mass Transit District would be minimally impacted.
- F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: Similar changes will be made to Parts 370 and 380 regarding the taxes imposed in Metro East Mass Transit Districts.

- k) Part(s) (Heading and Code Citations): Liquor Control Act, 86 Ill. Adm. Code 420

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

1) Rulemaking:

- A) Description: Amendments will be made to Section 420.10 to reflect the provisions of Public Acts 96-34 and 96-38, which changed the gallonage tax rates on beer, wine, cider and spirits effective September 1, 2009.
- B) Statutory Authority: 235 ILCS 58-1
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Manufacturers and importing distributors of beer, wine, cider and spirits are affected due to the change in tax rates on those items.
- F) Agency contact person for information:  
  
Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: There are no related rulemakings.

I) Part(s) (Heading and Code Citations): Bingo License and Tax Act, 86 Ill. Adm. Code 430

1) Rulemaking:

- A) Description: Regulations will be updated to reflect the provisions of Public Act 93-742, which authorizes the Department to issue 3-year bingo licenses, including regular licenses, limited licenses or senior citizen restricted licenses, and the amendments in Public Act 95-228, dealing with licensing. The regulations will also be amended to clarify record keeping requirements and the documentation required for a license application.
- B) Statutory Authority: 230 ILCS 25/1
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Entities eligible for bingo licenses will be affected by this rulemaking.
- F) Agency contact person for information:  
  
Paul Caselton  
Deputy General Counsel, Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 524-3951
- G) Related rulemakings and other pertinent information: There are no related rulemakings.

m) Part(s) (Heading and Code Citations): Pull Tabs and Jar Games, 86 Ill. Adm. Code 432

1) Rulemaking:

- A) Description: Regulations will be amended to implement the amendments in Public Act 95-228 dealing with licensing and to clarify record keeping requirements and the documentation required for a license application.
- B) Statutory Authority: 230 ILCS 20/1
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Entities eligible for pull tabs and jar games licenses will be affected by this rulemaking.
- F) Agency contact person for information:

Paul Caselton  
Deputy General Counsel, Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

Telephone: (217) 524-3951

- G) Related rulemakings and other pertinent information: There are no related rulemakings.

- n) Part(s) (Heading and Code Citations): Charitable Games, 86 Ill. Adm. Code 435

1) Rulemaking:

- A) Description: Regulations will be amended to implement the amendments in Public Act 95-228 dealing with licensing and to clarify record keeping requirements and the documentation required for a license application.
- B) Statutory Authority: 230 ILCS 30/1
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Entities eligible for a charitable games license will be affected by this rulemaking.
- F) Agency contact person for information:
- Paul Caselton  
Deputy General Counsel, Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 524-3951
- G) Related rulemakings and other pertinent information: There are no related rulemakings.

- o) Part(s) (Heading and Code Citations): Cigarette Tax Act, 86 Ill. Adm. Code 440

1) Rulemaking:

- A) Description: Amendments will be made to update the Cigarette Tax Act regulations to reflect new statutory developments, decisional law and Department policies. Among those amendments, the Department anticipates amendments to these rules relating to the federal "Prevent All Cigarette Trafficking Act of 2009"

---

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

P.L. 111-154, P.A. 95-1053, P.A. 96-782 and P.A.1027. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings.

- B) Statutory Authority: 20 ILCS 2505/2505-30
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Minimal, depending upon what legislation may be enacted.
- F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: None.

p) Part(s) (Heading and Code Citations): Cigarette Use Tax Act, 86 Ill. Adm. Code 450

1) Rulemaking:

- A) Description: Amendments will be made to update the Cigarette Use Tax Act regulations to reflect new statutory developments, decisional law and Department policies. Among these amendments, the Department anticipates amendments to these rules to incorporate the changes made by P.A. 95-1053, P.A. 96-782 and P.A. 1027. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings.
- B) Statutory Authority: 20 ILCS 2505/2505-80
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

E) Affect on small business, small municipalities or not for profit corporations:  
Minimal, depending upon what legislation may be enacted.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

G) Related rulemakings and other pertinent information: None.

q) Part(s) (Heading and Code Citations): Telecommunications Excise Tax, 86 Ill. Adm. Code 495

1) Rulemaking:

A) Description: Regulations will be updated to reflect new statutory provisions, decisional law and Department policy. Examples include:

1. Regulations that explain the manner in which DSL services are taxed.
2. Regulations that explain the taxation of telecommunications that are provided by cable and satellite television companies as part of internet access services and the taxation of Voice Over Internet Protocol (VOIP).
3. Regulations which reflect the provisions of the Simplified Telecommunications Tax Act (92-526, 92-878, 92-602, 93-286, and 94-793) and the Mobile Telecommunications Sourcing Conformity Act. (92-474).
4. Regulations that explain the telecommunications tax liabilities involved when multiple parties are joined together in different conference calling arrangements.
5. Amendment of Section 495.100 to clarify the ending date for using alternate apportionment methods for imposing tax on portions of the interstate inter-office channels for private lines pursuant to P.A.93-286.

B) Statutory Authority: 35 ILCS 630; Public Acts 92-526; 92-0602; 92-878, 93-286, and 94-793.



---

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings to Part 495 during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Retailers of telecommunications and their telecommunications customers will be affected by these regulations.
- F) Agency contact person for information:  
  
Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: There are no related rulemakings.

r) Part(s) (Heading and Code Citations): Motor Fuel Tax, 86 Ill. Adm. Code 500

1) Rulemaking:

- A) Description: Regulations will be updated to reflect new statutory provisions, new provisions and procedures under the International Fuel Tax Agreement, and changes in Department procedures.
- B) Statutory Authority: 35 ILCS 505/14
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings to Part 500 during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Motor fuel distributors, suppliers and receivers, as well as persons licensed under the International Fuel Tax Agreement, will be affected by these regulations.
- F) Agency contact person for information:

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

- G) Related rulemakings and other pertinent information: There are no related rulemakings.

- s) Part(s) (Heading and Code Citations): Special County Retailers' Occupation Tax for Public Safety, 86 Ill. Adm. Code 670

1) Rulemaking:

- A) Description: Amendments will be made to update the Special County Retailers' Occupation Tax for Public Safety regulations to reflect new statutory developments, decisional law and Department policies. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings.
- B) Statutory Authority: Implementing Section 5-1006.5 of the Special County Occupation Tax For Public Safety Law of the Counties Code [55 ILCS 5/5-1006.5] and authorized by Section 2505-95 of the Civil Administrative Code of Illinois [20 ILCS 2505/2505-95].
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.
- E) Affect on small business, small municipalities or not for profit corporations: Small municipalities may impose this tax for purposes of building or improving public facilities.
- F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

ILLINOIS REGISTER

---

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

G) Related rulemakings and other pertinent information: None.

t) Part(s) (Heading and Code Citations): Special County Service Occupation Tax for Public Safety, 86 Ill. Adm. Code 680

1) Rulemaking:

A) Description: Amendments will be made to update the Special County Service Occupation Tax for Public Safety regulations to reflect new statutory developments, decisional law and Department policies. Rulemakings are also promulgated as part of the Department's continuing effort to codify policies contained in various letter rulings.

B) Statutory Authority: Implementing Section 5-1006.5 of the Special County Occupation Tax For Public Safety Law of the Counties Code [55 ILCS 5/5-1006.5] and authorized by Section 2505-95 of the Civil Administrative Code of Illinois [20 ILCS 2505/2505-95].

C) Scheduled meetings/hearing dates: No schedule has been established at this time.

D) Date agency anticipates First Notice: We anticipate filing rulemakings during the next six months of this year.

E) Affect on small business, small municipalities or not for profit corporations: Small municipalities may impose this tax for purposes of building or improving public facilities.

F) Agency contact person for information:

Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844

G) Related rulemakings and other pertinent information: None.

u) Part(s) (Heading and Code Citations): Uniform Penalty and Interest Act, 86 Ill. Adm. Code 700

1) Rulemaking:

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- A) Description: The Department will amend the regulations in Part 700 to reflect recent amendments to the Uniform Penalty and Interest Act.
- B) Statutory Authority: 20 ILCS 2505/2505-795.
- C) Scheduled meeting/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: We anticipate filings during the next six months of this year.
- E) Affect on small business, small municipalities and not for profit corporations: These rulemakings will provide guidance for any business or not for profit corporation that incurs tax liabilities potentially subject to penalty or interest obligations under the Uniform Penalty and Interest Act.
- F) Agency contact person for information:  
  
Paul Caselton  
Deputy General Counsel, Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone (217) 524-3951
- G) Related rulemakings and other pertinent information: None.

v) Part(s) (Heading and Code Citations): Electronic Filing of Returns and Other Documents, 86 Ill. Adm. Code 760

1) Rulemaking:

A) Description:

1. Amend 86 Ill. Adm. Code 760.100. which currently requires professional return preparers who file more than 100 individual Illinois income tax returns in one year to file all individual Illinois income tax returns electronically in the next year, to reduce the threshold to 10 returns. This matches the reduction in the threshold in the corresponding requirement for professional preparers of federal income tax returns.
2. Amend Section 760.100 to provide that persons who sell alcoholic liquor and are required to file a monthly statement of liquor purchases as

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

provided in Section 3 of the Retailers' Occupation Tax Act and 86 Ill. Adm. Code 130.552, must file the monthly statement on an ST-1 Return that is filed by electronic means in accordance with the provisions of Part 760. This rulemaking is part of an effort to repeal the Department's telefile program for liquor retailers. This amendment provides that electronic filing is required for such returns due on and after February 1, 2012. The rules provide that a taxpayer may petition the Department for a waiver of the electronic filing requirement. The Department has made this accommodation for taxpayers that demonstrate they do not have access to the Internet.

- B) Statutory Authority: 35 ILCS 5/704A(c) and 35 ILCS 120/3; 20 ILCS 2505/2505-795
- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: This rulemaking has been sent to first notice
- E) Affect on small business, small municipalities and not for profit corporations: Only relatively large income tax return preparers are affected by this rulemaking.
- F) Agency contact person for information:  
  
Paul S. Caselton  
Deputy General Counsel - Income Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-7055
- G) Related rulemakings and other pertinent information: None.

w) Part(s) (Heading and Code Citations): Telefile Program, 86 Ill. Adm. Code 770 (repeal)

1) Rulemaking:

- A) Description: Repeal of the Department's Telefile Program.
- B) Statutory Authority: 20 ILCS 2505/2505/200; 35 ILCS 120/3

---

ILLINOIS REGISTER

DEPARTMENT OF REVENUE

JANUARY 2012 REGULATORY AGENDA

- C) Scheduled meetings/hearing dates: No schedule has been established at this time.
- D) Date agency anticipates First Notice: This rulemaking has been sent to first notice.
- E) Affect on small business, small municipalities or not for profit corporations: Small businesses that participate in the Department's voluntary TeleFile Program for sales taxes will no longer be able to telefile their ST-1 sales tax returns; this repeal will also affect liquor retailers that are required to telefile their ST-1 tax returns and include a monthly statement of alcoholic liquor purchases. Small businesses participating in the voluntary Telefile Program for sales and use taxes must either file electronically or on paper. Liquor retailers that are required to file monthly statements of liquor purchases must file electronically.
- F) Agency contact person for information:  
  
Jerilynn Gorden  
Deputy General Counsel, Sales and Excise Tax  
Illinois Department of Revenue  
101 W. Jefferson, 5-500  
Springfield, IL 62794  
Telephone: (217) 782-2844
- G) Related rulemakings and other pertinent information: Amendments to 130.552 and 760.100 are related to this rulemaking and provide that liquor retailers who are required to file monthly statements of liquor purchases with the Department must file their ST-1 returns electronically.